

Message Text

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PAGE 01 GENEVA 05758 01 OF 02 131822Z

ACTION EB-07

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ITC-01 SP-02 USIA-06 AGRE-00 AID-05 CIAE-00

COME-00 INR-07 LAB-04 NSAE-00 OIC-02 EPG-02

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FM USMISSION GENEVA

TO SECSTATE WASHDC 9140

INFO USMISSION USUN NEW YORK

AMEMBASSY PARIS

LIMITED OFFICIAL USE SECTION 1 OF 2 GENEVA 5758

USOECD

E.O. 11652: N/A

TAGS: UNCTAD, ETRD

SUBJECT: UNCTAD AD HOC INTERGOVERNMENTAL COMMITTEE ON COMMODITIES

REF: GENEVA 5681

1. SUBSEQUENT TO REFTTEL, GROUP B HAS DEVELOPED AND DELIVERED STATEMENT, TEXT OF WHICH IS CONTAINED FINAL PARA THIS MESSAGE.
2. GROUP D ALSO MADE STATEMENT NOTING PROGRESS ON RUBBER AND COPPER AND SUGGESTING THERE HAD ALSO BEEN ACCOMPLISHMENTS ON OTHER COMMODITIES ALTHOUGH PROGRESS SHOULD HAVE BEEN FASTER. CALLED ATTENTION TO FACT THAT DESPITE FACT THAT SUGAR COUNCIL HAS BEEN IN EXISTENCE MANY YEARS, AND INTERNATIONAL COMMUNITY HAS LONG EXPERIENCE WORKING ON SUGAR, RECENT SUGAR MEETING COULD NOT REACH AGREEMENT. THIS ILLUSTRATED COMPLEXITY OF COMMODITY ISSUES. GROUP D COUNTRIES, HAVING PLANNED ECONOMIES, ARE VERY INTERESTED IN STABILIZATION OF TRADE. AIM OF UNCTAD COMMODITY WORK SHOULD BE TO STABILIZE MARKETS IN INTEREST OF ALL PAR-
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PAGE 02 GENEVA 05758 01 OF 02 131822Z

TICIPANTS, PARTICULARLY LDCS.

3. CHINESE STATEMENT ASSERTED THAT INTEGRATED PROGRAM SHOULD IMPROVE TERMS OF TRADE FOR DEVELOPING COUNTRIES. MEETINGS THUS FAR HAVS NOT MADE SUBSTANTIVE PROGRESS. REASON IS THAT SUPERPOWERS DEFEND OWN ECONOMIC ORDJR AND EMPLOY DILATORYTACTICS TO REJECT JUST DEMANDS OF

DEVELOPING COUNTRIES. HOWEVER, NIEO IS IRRESISTIBLE
HISTORIC TREND AND IF LDCS UNITE IN UNREMITTING STRUGGLE
THEY WILL MAKE GRADUAL PROGRESS ON INTEGRATED PROGRAM.

4. PLENARY AGREED TO ESTABLISH "SMALL" WORKING GROUP TO
DISCUSS SCHEDULE OF MEETINGS, DOCUMENTATION, AND OTHER
RELATED ISSUES. U.S. IS MEMBER

5. TEXT OF GROUP B STATEMENT FOLLOWS:

BEGIN TEXT:

MR CHAIRMAN

AT THE OPENING OF THIS SESSION OF THE AD HOC COMMITTEE GROUP B
LISTENED WITH INTEREST TO THE STATEMENTS READ ON BEHALF OF MR HUSLID,
THE CHAIRMAN, AND MADE BY THE SECRETARY GENERAL OF UNCTAD AND THE
SPOKESMAN FOR THE GROUP OF 77. THESE STATEMENTS REVIEWED THE
PROGRESS WE HAVE MADE TO DATE AND MADE SUGGESTIONS ON HOW WE MIGHT
ENHANCE THE EFFECTIVENESS OF OUR WORK.

2. IN OUR WORK ON THE IPC WE HAVE TO DEAL WITH THE TWO INTER-
RELATED ISSUES OF INDIVIDUAL COMMODITIES AND A COMMON FUND. BOTH
OF THESE ARE COMPLICATED MATTERS AS IS THE RELATIONSHIP BETWEEN THEM.
AS WE SEE IT, WE MUST PRESS AHEAD WITH OUR WORK ON BOTH OF THEM AS
FAST AS WE REALISTICALLY CAN.

3. THE MINISTERIAL MEETING OF THE CONFERENCE ON INTERNATIONAL
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PAGE 03 GENEVA 05758 01 OF 02 131822Z

ECONOMIC CO-OPERATION UNDERLINED OUR COMMITMENT TO THE ESTABLISHMENT
OF A COMMON FUND. AT THAT MEETING THE PARTICIPATING COUNTRIES AGREED
THAT "A COMMON FUND SHOULD BE ESTABLISHED AS A NEW ENTITY TO SERVE AS
A KEY INSTRUMENT IN ATTAINING THE AGREED OBJECTIVES OF THE IPC AS
ENBODIED IN UNCTAD RESOLUTION 93(IV). THEY ALSO AGREED THAT ITS
SPECIFIC PURPOSES AND OBJECTIVES, AS WELL AS ITS OTHER CONSTITUENT
ELEMENTS, WILL CONTINUE TO BE NEGOTIATED IN UNCTAD. THE PARTICI-
PATING COUNTRIES IN THE CIEC PLEDGED THEMSELVES TO SECURE A
SUCCESSFUL CONCLUSION AT THE FORTHCOMING RESUMED SESSION OF THE
UNITED NATIONS NEGOTIATING CONFERENCE ON A COMMON FUND". IN TURN
THIS WAS ENDORSED AT THE OECD'S MINISTERIAL MEETING ON 24 JUNE
BY ALL MEMBER COUNTRIES OF OECD.

4. ON THE BASIS OF THIS AGREEMENT IN PARIS AND THE WORK DONE AT
THE COMMON FUND CONFERENCE HERE IN MARCH, GROUP B IS NOW IN THE
PROCESS OF DEVELOPING A PROPOSAL ON WHICH WE WOULD CONTINUE
NEGOTIATIONS WITH THE GROUP OF 77 IN NOVEMBER. WITHIN GROUP B WE
SHALL BE HAVING ANOTHER MEETING CONCERNING THE COMMON FUND BEFORE
THE END OF THIS MONTH AND A NUMBER OF MEETINGS IN SEPTEMBER AND
OCTOBER. WE ARE PLEASED TO HEAR THAT SIMILAR WORK IS UNDER WAY
IN OTHER GROUPS. IN THE LIGHT OF THE PROGRESS WHICH WE ARE
TO MAKE WITHIN GROUP B, WE SHALL BE IN A POSITION TO JUDGE THE

USEFULNESS OF FURTHER INFORMAL CONSULTATIONS BETWEEN GROUPS PRIOR TO THE RESUMPTION OF THE CONFERENCE. IN ANY EVENT, OUR MAIN CONCERN IS TO ENSURE THE SUCCESSFUL CONCLUSION OF THAT RESUMED SESSION.

5. AT THE CIEC MINISTERIAL MEETING IN PARIS, THE COMMITMENT WAS REAFFIRMED "TO ADOPT APPROPRIATE MEASURES AND PROCEDURES FOR ATTAINING THE AGREED OBJECTIVES OF THE IPC IN THE CONTEXT OF THE ON-GOING NEGOTIATIONS WITHIN UNCTAD ON INDIVIDUAL COMMODITIES".

6. TO DATE, THE PROGRESS ON INDIVIDUAL COMMODITIES HAS NOT ALWAYS BEEN AS FAST AS MAY HAVE BEEN HOPED FOR. THE PREPARATORY MEETINGS THEMSELVES HAVE SHOWN CLEARLY THE COMPLEXITY OF THE LIMITED OFFICIAL USE

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PAGE 04 GENEVA 05758 01 OF 02 131822Z

ISSUES WHICH HAVE TO BE FACED. SOME OF THE DIFFICULTIES WHICH EMERGED FROM THESE MEETINGS WERE RAISED BY PRODUCING COUNTRIES WITHIN THE GROUP OF 77 ITSELF. THIS IS UNDERSTANDABLE AND SHOWS THAT NO LACK OF POLITICAL WILL SHOULD BE ATTRIBUTED TO ANYONE. IT ALSO ILLUSTRATES THAT ALL PARTICIPANTS IN MEETINGS MUST SHARE RESPONSIBILITY FOR ACHIEVING SATISFACTORY PROGRESS.

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PAGE 01 GENEVA 05758 02 OF 02 131832Z
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R 131730Z JUL 77
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TO SECSTATE WASHDC 9141
INFO USMISSION USUN NEW YORK
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LIMITED OFFICIAL USE SECTION 2 OF 2 GENEVA 5758

USOECD

7. IT IS ALSO CLEAR THAT DIFFERENT COMMODITIES OFTEN FACE VERY DIFFERENT PROBLEMS. THE CONCLUSIONS DRAWN IN RELATION TO ONE COMMODITY ARE NOT NECESSARILY APPLICABLE TO ANOTHER. OFTEN FURTHER STUDIES ARE NEEDED IN ORDER TO ARRIVE AT A CORRECT ANALYSIS AND TO HAVE PRECISE DATA ON WHICH GOVERNMENTS CAN BASE THEIR DECISIONS.

8. IT IS IN THE CONTEXT OF OUR DESIRE FOR MUTUALLY BENEFICIAL COMMODITY ARRANGEMENTS THAT STUDIES ARE NECESSARY AND NOT FOR THE PURPOSE OF POSTPONING DECISIONS IN THESE FIELDS. WE AGREE THAT ONLY THOSE TECHNICAL STUDIES WHICH ARE FOUND NECESSARY TO THE SEARCH FOR WAYS AND MEANS TO SOLVE THE PROBLEMS OF INDIVIDUAL COMMODITIES SHOULD BE UNDERTAKEN.

9. WE REAFFIRM OUR DESIRE TO ACHIEVE SIGNIFICANT PROGRESS IN THE FORTHCOMING DISCUSSIONS. IN THIS RESPECT WE SHALL CONTINUE TO SEEK MEASURES WHICH ARE COMPARIBLE WITH AN EFFECTIVE OPERATION OF INTERNATIONAL COMMODITY MARKETS. IT SHOULD NOT BE THOUGHT THAT SUCH CONCERNS ON OUR PART ARE A PRETEXT FOR DELAY.

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PAGE 02 GENEVA 05758 02 OF 02 131832Z

10. AS MENTIONED BY THE SECRETARY GENERAL ON MONDAY, GROUP 3 COUNTRIES HAVE, ON SEVERAL OCCASIONS RECENTLY, RECONFIRMED THEIR POLITICAL WILL IN TERMS OF THE INTEGRATED PROGRAMME FOR COMMODITIES. WE BELIEVE THAT WE HAVE BEEN WORKING TOWARDS THE PRACTICAL IMPLEMENTATION OF THIS WILL AND IT IS OUR INTENTION TO DO SO AS EXPEDITIOUSLY AS POSSIBLE.

11. IN THIS CONNECTION WE FOUND THE GROUP OF 77'S SUGGESTION THAT A SMALL GROUP SHOULD MEET DURING THIS SESSION OF THE AD HOC COMMITTEE PARTICULARLY HELPFUL. WE FEEL THAT SUCH A GROUP SHOULD PROVIDE US WITH A GOOD OPPORTUNITY FOR A SERIOUS AND CONSTRUCTIVE DISCUSSION CONCERNING THE SCHEDULE OF MEETINGS AND WAYS TO ACHIEVE BETTER PROGRESS. WE AGREE WITH THE GROUP OF 77 THAT WE ALL SHOULD APPROACH THESE QUESTIONS IN A MORE PURPOSEFUL, IMAGINATIVE AND FLEXIBLE WAY.

END TEXT

VANDEN HEUVEL

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